

THE HONG KONG POLYTECHNIC UNIVERSITY DEPARTMENT OF MANAGEMENT AND MARKETING

Departmental Research Seminar



Repair Service Signals: How OEM Repair Services Signal Unused Utility and Decrease Product Replacement By

Prof. Karen Page Winterich
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Date : 22 Nov 2022 (TUE)

Time : 9 – 10:30 am

Venue : Online via Zoom

Abstract

Over the past several decades, there has been a substantial shift toward disposable consumption resulting in a 'throwaway society', which includes replacing rather than repairing broken durable goods. Third-party repair services exist even as consumers choose to replace over repair, but more Original Equipment Manufacturers (OEMs) are offering repair services. If consumers simply prefer newer products, OEM repair services should not deter replacement. We propose that unlike third-party repair services, OEM repair services signal unused utility in non-fully functioning products, decreasing replacement behavior. Consistent with the theorizing regarding unused utility signals, we demonstrate that the OEM repair service effect is attenuated when there is: utilitarian attribute emphasis, low product ownership duration, and consumer frugality. Notably, third-party repair services can also signal unused utility when they receive certifications from the OEM demonstrated with repair service leads in a field study, or make waste salient in advertisements, increasing repair interest, demonstrated via Facebook ads. This research makes substantive contributions to sustainability efforts aimed at mitigating overconsumption, providing implications to managers of manufacturing companies for consumer durables and third-party repair services while also making theoretical contribution to signaling theory and unused utility literature.

Prof. Karen Page Winterich is Gerald I. Susman Professor in Sustainability and professor of marketing at Smeal College of Business, Pennsylvania State University. Winterich conducts research in the area of consumer behavior, with specific interests in consumers' sustainable behaviors. Her primary research includes: investigating the effect of consumer identities on product preference and donations, strategies for increasing sustainable behavior particularly regarding disposition, recycling, and repair, and understanding the role of morality in the marketplace. Much of her work pertains to companies seeking to enhance their sustainability strategy as well as non-profit and government organizations. Her research is published in *Journal of Marketing*, *Journal of Consumer Research*, and *Journal of Marketing Research*, among others. She received the MSI/H. Paul Root Award for her 2019 *Journal of Marketing* article on recycling behavior, which was also a runner-up for the *Financial Times* Responsible Business Education Award for Academic Research. Her research was an inaugural winner of the AMA-EBSCO Responsible Research in Marketing Award as well as a Distinguished Winner in 2021. Most recently, her Sustainable Retailing article received the Davidson Award for the Best Paper in *Journal of Retailing*. She has been an invited speaker for GreenBiz's CIRCULARITY 2.0 and the Can Manufacturing Institute, among others. She serves as an Associate Editor for the *Journal of Marketing Research* and the *Journal of Marketing* and is on the Editorial Review Board at the *Journal of Consumer Research* and *Journal of Consumer Psychology*, among others. Winterich is President-Elect of the American Marketing Association's Academic Council. Winterich also enjoys teaching sustainability marketing to undergraduate students.

All interested are welcome.



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